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DEPARTMENT OF INSURANCE

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In the Matter of the Withdrawal of:)	Docket No. 97A-011-INS
CAPITOL SECURITY LIFE INSURANCE COMPANY (NAIC No. 91200),)	ORDER
Petitioner.))	

On March 11, 1997, the Office of Administrative Hearings, through Administrative Law Judge Lewis D. Kowal, submitted "Recommended Decision of Administrative Law Judge" ("Recommended Decision"), a copy of which is attached and incorporated by this reference. The Director of the Arizona Department of Insurance has reviewed the Recommended Decision and enters the following order:

- 1. The recommended findings of fact and conclusions of law are adopted.
- 2. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
- 3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit will be released to the Petitioner after the Department has received the following: (a) a copy of Petitioner's Articles of Amendment certified as filed by the Arizona Corporation Commission; and (b) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit will not be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.

1	4. The sum of \$100.00 previously credited to the Insurance Examiners' Revolving		
2	Fund will be refunded to the Petitioner, pursuant to A.R.S. § 20-159.		
3	5. The Petitioner will file its 1996 Annual Statement with the Department, together		
4	with all applicable fees.		
5	6. Petitioner will pay its certificate of authority fee if the Articles of Amendment are		
6	not filed with the Arizona Corporation Commission on or before March 31, 1997.		
7	7. Petitioner will file its 1997 Annual Statement with the Department, together with		
8	all applicable fees, unless Petitioner files its Articles of Amendment with the Arizona Corporation		
9	Commission on or before December 31, 1997.		
10	NOTIFICATION OF RIGHTS		
11	The aggrieved party may request a rehearing with respect to this Order by filing a written		
12	petition with the Office of Administrative Hearings within 30 days of the date of this Order, setting forth		
13	the basis for such relief pursuant to A.A.C. R20-6-114(B).		
14	The final decision of the Director may be appealed to the Superior Court of Maricopa		
15	County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal must notify the Office of		
16	Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal,		
17	pursuant to A.R.S. §41-1092.10.		
18	EFFECTIVE this day of March, 1997		
19			
20	John A. Greene		
21	Director of Insurance		
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23			

1	A copy of the foregoing mailed this 12 th day of March, 1997
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3	Charles R. Cohen, Deputy Director Mary Butterfield, Assistant Director Catherine O'Neil, Assistant Director
4	Gary Torticill, Assistant Director Deloris Williamson, Assistant Director
5	Scott Greenberg, Business Administrator
6	Arizona Department of Insurance 2910 N. 44th Street, Suite 210 Phoenix, AZ 85018
7	Office of Administration Heaving
8	Office of Administrative Hearings 1700 W. Washington, Suite 602 Phoenix, AZ 85007
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10	Philip T. Paris 2929 N. 44th Street, Suite 120 Phoenix, AZ 85018
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No. 97A-011-INS

RECOMMENDED DECISION OF ADMINISTRATIVE LAW JUDGE

CAPITOL SECURITY LIFE INSURANCE

COMPANY (NAIC NO. 91200),

In the Matter of the Withdrawal of

Petitioner.

HEARING: February 27, 1997

APPEARANCES: Philip T. Paris, Esq. for the Petitioner and Kurt Regner for

the Arizona Department of Insurance.

ADMINISTRATIVE LAW JUDGE: Lewis D. Kowal

On February 27, 1997 a hearing took place, to consider the application of Capitol Security Life Insurance Company (the "Petitioner"), that was filed with the Arizona Department of Insurance (the "Department") to withdraw from the insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303.

Based upon the entire record in this matter the following recommended Findings of Fact, Conclusions of Law and Recommended Order are made:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

- The Petitioner has surrendered its Certificate of Authority to the 1. Department.
- The Petitioner has filed with the Department certified copies of Resolutions 2. of the Petitioner's Board of Directors and of the Petitioner's shareholder(s) to withdraw from the insurance business, to amend its articles of incorporation to eliminate its insuring powers, and to adopt a new corporate name which shall not include the word "insurance".

Office of Administrative Hearings 1700 West Washington, Suite 602 Phoenix, Arizona 85007 (602) 542-9826

- 3. The Petitioner has no insurance obligations owing to it, whether by policies written direct or by reinsurance ceded to it.
- 4. The Petitioner has filed its certified financial statement as of August 31, 1996 with the Department.
- 5. At least ten business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the date, place, nature and purpose of the hearing, as evidenced by an affidavit of publication. Petitioner also provided individual notice by mail to its known creditors, as evidenced by an affidavit.
- 6. The Petitioner has a \$100,000.00 statutory deposit with the Department and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").
- 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and with A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.

RECOMMENDED ORDER

The undersigned Administrative Law Judge recommends that:

- 1. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
- 2. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after the Department has received the following: (a) a copy of Petitioner's Articles of Amendment certified as filed by the Arizona Corporation Commission; and (b) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.
- 3. The sum of \$100.00 previously credited to the IERF shall be refunded to the Petitioner, pursuant to A.R.S. §20-159.
- 4. The Petitioner shall file its 1996 Annual Statement with the Department, together with all applicable fees.

- Petitioner shall pay its certificate of authority fee if the Articles of
 Amendment are not filed with the Arizona Corporation Commission on or before March 31, 1997.
- 6. Petitioner shall file its 1997 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Articles of Amendment with the Arizona Corporation Commission on or before December 31, 1997.

Done this day, March 11, 1997.

LEWIS D. KOWAL

Administrative Law Judge

Original transmitted by mail this _______ day of March, 1997, to:

John A. Greene Director ATTN: Curvey Burton Department of Insurance 2910 North 44th Street, #210 Phoenix, AZ 85018-7256

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